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# ***JPRS Report***

## **Near East & South Asia**

**MOROCCO**

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# Near East & South Asia

## MOROCCO

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6 March 1992

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## INTERNATIONAL AFFAIRS

### France Financing Agadir Port Silo

*[92AF0347D London AL-MAJALLAH in Arabic  
22 Jan 92 p 70]*

[Article: "Morocco Signs Financial Protocol with France"]

[Text] On 27 December [1991], the Moroccan Government and France signed a financial protocol for 262.5 million French francs (\$50.5 million) to finance the construction of a silo at Agadir Port and the purchase of tugboats for the Bureau of Arab Ports. The silo is estimated to cost 137.4 million francs (\$26.5 million), and the tugs 125 million francs (\$24 million).

### Foreign Investment in Food Industries Rising

*[92AF0440D London AL-SHARQ AL-AWSAT in Arabic  
16 Feb 92 p 11]*

[Article: "Growing Foreign Investment in Morocco's Food Industries"]

[Text] Foreign firms' interest in Morocco's food industries sector has been growing. The Foreign Investment Ministry's statistics show that investment in the food industries sector from January to November 1991 was 168 million Moroccan dirhams. Of this, Moroccan investment amounted to 997,000 dirhams and foreign investment to 171,000 dirhams. These investments have sought to create new spheres of investment and to expand and modernize equipment and machinery in a number of industrial units, keeping in mind that food industries are among Morocco's oldest conversion industries, with the first unit dating back to the early 1920s. Enhanced investment in this sector has raised the number of food industry units to 1,200, which channel most of their production to export, especially to the European markets. Within this context, Morocco's Foreign Investments Ministry has pointed out that 312 investment projects were approved from January to September 1991. This shows that investment in the food industries sector grew in 1990 by 69 percent when compared to 1989, and that foreign investment amounted to 63 percent of the total investment.

The pace of investment in the food industries sector is expected to slow down this year. It has been noticed recently that there has been interest by Spanish and Algerian investors in industrial refrigeration, vegetable and fruit processing, dairies, and olive oil industries. Moreover, a significant number of investors from Saudi Arabia, France, Iraq, and Libya have also shown interest.

### Trade Figures With Italy Published

*[LD0802225892 Rabat MAP in English 1238 GMT  
8 Feb 92]*

[Text] Rabat, Feb. 8 (MAP)—Trade exchanges between Morocco and Italy have recorded an important progress

during the last 10 years reaching 6.2 million dhs [dirhams] in 1990 when the amount was of 1.5 in 1981.

According to "La Banque Marocaine du Commerce Extérieur", Morocco's imports from Italy totalled 3,870.5 in 1990 (973.3 million dh in 1981) recording thus a 15.4 pc [percent] growth. Exports to Italy went up from 595.8 million dhs in 1981 to 2,412.5 million dhs in 1991, which is a yearly increase of 16.1 pc .

The Moroccan-Italian trade balance has registered a deficit of 1,4576.9 million dhs in 1991 (377.5 million dhs in 1981) at the expense of Morocco.

During these last three years, a noteworthy progress was achieved. Indeed, Morocco's imports from Italy went from 2,162.6 million dhs in 1988 to 2,917.0 million dhs in 1989 to 3,870.5 million dhs in 1990 while exports to Italy progressed from 1,673.0 million dhs in 1988 to 1,789.4 million dhs in 1989 to 2,412.5 million dhs in 1990.

In 1990, as much as 40 pc of imported goods consisted of equipment goods, 36 pc of semi products, 16 pc of consumption goods and 8 pc of raw material. Exports to Italy mainly involved semi [finished] products (35 pc), foodstuffs (34 pc) and raw material (20 pc).

## REGIONAL AFFAIRS

### Istiqlal Leader Discusses Sahara, Other Issues

*[92AF0366A Rabat AL-'ALAM in Arabic 20 Jan 92 p 3]*

[Speech by Istiqlal Party Secretary General Mohamed Boucetta to the party's Central Committee, in Laayoune, Saguia el Hamra]

[Text] In the name of God, the merciful and compassionate.

Brothers and sisters, as we open the 14th ordinary general session of the party's Central Committee, we must remember the souls of brothers recently lost to us. They are Mohamed Boutaleb, Mohamed Ben Abdesadeq, Mohamed Adbib, Mohamed el Fassi, and Abderrahim Bouabid. We must likewise remember the souls of all our martyrs and ask mercy for their unsullied souls, especially one whom we lost three days ago. A dedicated leader and one of the real founders of the party and of the nationalist movement, he was a fighter known since youth for constant and diligent action. He is the late Abderrahim Bou'bid, whom we have always known to be most dedicated to the defense of Moroccan causes in all international fora. We have known him as a stable intellectual and as a constant defender of nationalist ideology. His funeral was held two days ago. Because of that martyr's connection to the Istiqlal Party, which he helped found, and because of current collaboration with our brothers in the Socialist Union [of Popular Forces—USFP], the party showed up in force at the funeral. May God have mercy on his soul, and our condolences to his family and extended family.

Another brother fighter also went to heaven three months ago—an intellectual founder of the nationalist movement and a signatory of the petition for independence.

The late Mohamed el Fassi was one the founders of the nationalist movement since its inception, when he was young, as a student in Fez and then in France, to assume considerable responsibility within the Istiqlal Party. He carried out his duties to the fullest as a sincere patriotic fighter and personification of true Moroccan character. We have known him as a dedicated defender of Morocco and Moroccans and of his Islamic faith, his Arab language, and his Arab-Islamic legacy including the Amazigh language, which he learned and taught. We knew him as a tenacious supporter of the party that he helped found. May God have mercy on his soul.

Also to meet his maker was our brother fighter Mohamed Boutaleb, who was in the vanguard of the nationalist movement. He has been a fighter since boyhood and, as a teacher, he was a cultivator of nationalist ideology in the minds of successive generations. He was diligent in attending all party meetings. May God have mercy on his soul.

Also to answer the call of heaven is the beloved Mohamed Ben Abdessadeq, a steadfast and staunch fighter. He took charge of the party's inspection efforts in several provinces and was always known for his dedication and diligence. May God show him mercy.

Also to leave us was brother Mohamed Adbib, one of our staunch fighters and a founder, with other brethren, of the nationalist movement in the north. He was a dedicated nationalist till the day he died.

We remember the souls of all those faithful brothers and the immaculate spirits of all the martyrs who fell in the field of honor while defending national unity. We also remember the souls of the martyrs of independence—Mohamed V, Allal el Fassi, Abdelkhaleq [Touraise], Ahmed Balafrej, and other heroes of the battle for liberation and independence. May God have mercy on the souls of all civilian and military martyrs. I invite you to recite the Fathah [first sura of the Koran] for their souls.

#### **Why Laayoune for the Central Committee Session?**

Brothers and sisters, for reasons that need no elaboration, but some of which I will briefly enumerate, the party leadership chose Laayoune at this time as a venue for the 14th session of the Central Committee.

There are new developments concerning the resolution of the [Western] Sahara problem. A UN team is here in this region to supervise the referendum. We wanted our Central Committee to convene in this valiant city on 11 January—a national day and the birthday of [the struggle] to liberate the country and the people. It was the climax of previous political and armed battles, foreign and domestic, waged by the Moroccan people to liberate the country from imperialism. [Convening the

Central Committee in Laayoune] was a deliberate choice meant to link the present with the past and to the future.

By holding this event in Laayoune, we intend to reaffirm the party's position on territorial unity. We also wish to send a message to the UN and to the neighbors of the Sahara region, especially Lahmadah and Algeria, that this territory can only be an indivisible part of Morocco and that we are not ready to discuss a future agenda for a solution to this manufactured issue. We wish to assert that this will undoubtedly be the year for a definitive conclusion and for ending the debate on the Moroccan Sahara. This issue can not continue to preoccupy public opinion and to obstruct Morocco's national house-keeping, especially as it relates to the status of [government] agencies and to elections that must be held on schedule, social and economic development, and generally keeping pace with far-reaching developments in the region—nay, in the entire world.

#### **Time To Conclusively Liquidate the Problem**

Brothers and sisters, this issue should have been concluded two years ago but for the impediments we encountered. We are prompted today, in the city of Laayoune, Saguia el Hamra, to emphasize two facts: that this is an indivisible part of our nation, and that the time has come to conclude this manufactured problem once and for all. I would like, at this time, to remind my brethren in the Central Committee of the stand we took on this issue. I should not forget to also remind them of the causes on which we must focus more closely.

When inaugurating the fall session of parliament on 11 October 1991, his majesty the king graciously said that this will be the year for liquidating the Sahara problem and also for elections that would truly mirror political sentiment in Morocco. That commitment was also reiterated in his majesty's speech of 6 November 1991 to commemorate the Green March.

I have deliberately referred to those two speeches by way of reiterating what we advocated a few months ago, and specifically during the two most recent meetings of the party's National Council: that it is necessary to focus attention on this issue which we, in the Istiqlal Party, consider essential, especially since it has turned into a mere question of timing, no more. I'll be getting back to this point.

#### **Developments Render Referendum Superfluous and Pointless**

As I previously mentioned, we hold this session at Laayoune to reiterate our position on national unity. We need no lesson on this point from anybody because the cause of national unity has our party's highest priority and concern, not only for the return of our Saharan regions, but also for the liberation of all usurped lands, be they to the east or to the north, such as Ceuta, Melilla, and others.



We wish once again to reiterate that the referendum has been rendered superfluous and pointless by various relevant complex developments, not only in the region and within our Saharan territories, but also in Africa and the world in general.

These regions are experiencing well-deserved growth and have been given priorities that enabled them to catch up with the rest of the country. This is an important point to remember. The Royal Armed Forces have done a wonderful and beautiful job. They restored order, checked aggression, put an end to successive attacks, built a bulwark of security, and endowed the region with the same peace and tranquility enjoyed by other Moroccan provinces. This is an occasion to once again express to our Royal Armed Forces our deference and esteem. Add to this the steadfastness of this region's inhabitants since day one and their actions to mobilize reject propaganda and disinformation; and continue to insist on demonstrating their Moroccan identity, which they value and express on all occasions, such as the previous referendum, all manner of demonstrations and rallies, and the visit of his majesty the king to the region, when they underscored their allegiance and commitment to the throne. Also consider neighboring developments, especially in Algeria. We have said it before and we say it again: The attacks originated with Algeria, whose rulers did an injustice to Morocco. Their disruptive and venomous actions against Morocco were carried out by several agencies, including their mission to the UN, as was proven last week. And yet, a development was imposed by the Algerian people, whose views on the Sahara issue were ignored. That development culminated in the agreement on the Greater Arab Maghreb Agreement. Algeria, which has contended that this Arab Maghreb could not be built on the ruins of what it called the "Saharan Republic," eventually conceded the creation of that Agreement by the five countries of Morocco, Algeria, Tunisia, Libya, and Mauritania. The charter contains a clause which commits all member states not to allow the use of their land to launch attacks on the territory of any neighboring or member state.

We also refer to another fundamental African development. Those who were pressured into recognizing the alleged republic have either publicly withdrawn their recognition or halted their support. World public opinion also experienced an important development with the disintegration of the clique of separatist mercenaries, thanks to the return of many Moroccans, whom I take this occasion to salute. I salute their courage as I salute the large group of sisters who endured great hardship over long distances and returned to the motherland via Feguig, Mauritania, and Las Palmas.

All those considerations have led us to emphasize, and we still do, that the referendum has been rendered superfluous and pointless. We urge a speedy implementation of His Majesty's commitment. At any rate, this referendum cannot be allowed to remain an impediment to action on the causes that concern us.

### **We Reject Depriving Moroccan Saharans of Their Right To Affirm Their Identity**

Brothers and sisters, we also renew, on this occasion, our call and our invitation to our brethren in this beloved region, and to all classes of the Moroccan people, to continue to mobilize and make ready to frustrate all manner of maneuvers and attempts to undermine our national sovereignty.

I would also like, at this time, to salute our brethren, who came from all over Morocco in order to discharge their duty to vote and declare their Moroccan identity.

I would also like to reiterate our previous statement that the international plan contains several flaws that contradict the spirit of the UN charter itself, and that are manifested in denying self-expression to a group of the region's inhabitants and tribes. Circumstances forced these people to move away for various reasons, especially because of the behavior of Spanish imperialism.

We reject denying some of them the right to assert the Moroccan identity of the Sahara. This is a legitimate right that we, as a unified Moroccan people in the south and elsewhere, cannot allow to be denied them.

### **UN Bears Responsibility for Mercenary Infiltration**

On this same occasion, we charge the UN and our country's government with responsibility in connection with intrusions and infiltration by mercenaries. We all know that prior to the so-called cease-fire, no mercenary was able to set foot on our national soil in the provinces of Oued Ed-Dahab and Saguia el Hamra. When the so-called cease-fire went into effect on 6 September, a number of mercenaries infiltrated into certain areas, especially in [Tifariti] and Bir Lahlou. This serious matter can not be tolerated or ignored, because it is the mercenaries' goal to carry out terrorist acts. We consequently ask our government and our Royal Armed Forces to bring an end to such infiltration.

### **Sahara Problem Cannot Continue To Impede Moroccan Development**

Those, brothers and sisters, are the highlights of current developments and the clear positions we have on them. We look forward to an end to this problem, because the Moroccan people have paid a high-enough price and made huge sacrifices for a long time. We must cite those sacrifices and battles of liberation waged by the Moroccan people with great courage and heroism, especially after historic calls by liberation heroes—the call by Allal el Fassi, may God have mercy on him, and bids by all those patriots responsible for endowing our country with some of the noblest pages of history. We must cite all actions taken by the people in the interest of liberation, such as the Green March, which was decisive action within the framework of international legitimacy, of which Morocco could be proud. The Green March initiated by his majesty the king was, indeed, the inauguration of this region's liberation. As far as we are

concerned, the matter is now closed, since the initiative has been accomplished. We emphasize this fact in order that the Sahara problem may not continue to impede Moroccan development and divert attention away from fundamental issues that must be handled and properly resolved.

#### **Fundamental Constitutional Change Is Imperative**

I referred earlier to two royal speeches at the inauguration of parliament's fall session on 6 November because they emphasized that this is the year for elections and for the proper installation of agencies. The people have suffered enough as a result of the Sahara problem, and the time has come to affect the necessary transition. Elections must be held on schedule, and this has guided the party's performance in between the two sessions with regards to domestic and foreign activity and to joint action with nationalist parties. We acted, through coordination and contacts, to have those elections preceded by a number of legal and procedural changes and measures, the most significant of which is a fundamental constitutional change. A memorandum on the subject, prepared in conjunction with our brethren in the USFP, and signed by the late Abderrahim Bouabid, was submitted to his majesty the king. The memorandum, which outlined the changes desired, emphasized that it is imperative to vest those agencies with genuine responsibility and to allow them to guide the government, which would be ultimately accountable to them. We cannot accept a council that has no sufficient authority to oversee government. Otherwise it would have neither immunity, value, nor even validity.

The memorandum also touched on other issues dealing with human rights, general freedoms, and election procedures.

Elections must be preceded by certain imperatives, some of which depend on legal and procedural measures. We studied those issues in coordination and with the USFP and the Labor Organization. Relevant bills were submitted to the Chamber of Deputies—bills covering new election regulations, campaigns, and the handling of election violations. We will also submit, in the next few days, another bill on general elections. We had therefore asked parliament to remain in its fall session in order to debate those bills but it was agreed [instead] to convene an extraordinary session that may be announced soon. That was a promise but we consider it a commitment by the presidency of the Chamber of Deputies. We emphasize that action, because of the time element, cannot be delayed until the next ordinary session.

#### **Pressure Must Be Exerted**

That covers actions taken by your brethren in the party and in the Istiqlal parliamentary team, in cooperation with two nationalist parties—the USFP and Labor Organization. Those actions were well-executed, but we must maintain pressure on ourselves and on public opinion in order to make sure that elections are held at their

appropriate time. That requires us to maintain operations with awareness and conscientiousness, and that we focus on the effort to impose that option, because we believe that the current state of vacillation does not serve Moroccan interests. To put it more succinctly, we cannot see how our country can benefit by delaying elections.

#### **Two Issues That Cannot Be Linked**

We consider this matter to be essential to the realities of daily endeavors to improve the people's lot by providing jobs for all citizens, to pare down the exorbitant cost of living, to stop the decline of the national currency, to find meaningful solutions to the problems of indebtedness, to fight administrative and moral corruption, to do away with all forms of inequity and injustice, and, in general, to put the caravan of development on the correct and sound road. That would necessitate holding elections on schedule, so that the institutions may carry out that function within a framework protecting freedoms and human rights, and conducive to developing a nation of laws and real institutions. I again emphasize that we reject linking this option to any other issue. We don't want to link an issue that may or may not develop with another that has, in our view, been conclusively resolved.

#### **Bolstering the Party's Domestic Action**

Brothers and sisters, these issues present us with a number of necessary and pressing tasks, especially in connection with the party's domestic activity, and particularly with the need to bolster the organizational activity of the party's auxiliary institutions, such as the organizations for youth, women, laborers, farmers, and merchants. We must also focus on matters of importance to branches and regional councils. The brethren members of the party's Central Committee will submit proposals in this regard and will be attending the regional conferences scheduled for the next few days. We are all aware of the great importance that we place on these conferences, but this takes on even more importance, in view of the country's current experiences with the emergence of certain societies and other activities directed primarily against the party.

#### **Saluting Joint Union Action**

We monitored with interest the activities of the delegation of the Executive Bureau of Istiqlal Youth, which is currently touring the Saharan regions. It held meetings with various Istiqlal Youth branches, sponsored youth meetings in various locations, and paid field visits to [word illegible] encampments in Laayoune, [Dekhla], and Boujdour after holding organizational meetings in Agadir, Tiznit, and Geulmim. Those were praiseworthy efforts, and I urge that their thrust be maintained. I would like to make special mention of the work of the General Union of Workers in Morocco, and particularly of the dossier of demands it submitted in collaboration with its brethren in the Democratic Confederation, and of the strikes waged by Moroccan workers in many a sector, which will be maintained in defense of the rights

of the working class. We emphasize that we undertake joint action with true unions and nationalist parties because we consider it the party's responsibility to be the unifying framework for defending the interests of the entire Moroccan population and of its Islamic faith.

**We Salute the Palestinian Revolution, Denounce the Siege of Iraq and Threats Against Libya**

Before I conclude, I must salute the heroic Palestinian people, its unified leadership, and its courageous intifadah for its steadfastness and persistence in the defense of its legitimate rights. We denounce Israeli intransigence at the peace table. I also wish, on behalf of all of you, to again denounce the siege imposed on the brotherly Iraqi people. We look upon that action as a grave injustice. I assure the people of Iraq of absolute solidarity by our party, and say to our brethren in the Libyan Jamahiriyyah that we reject the brutal threats directed at them, and that we support them and believe that Libya's initiative should bring an end to those threats.

Brothers and sisters, we must be alert to developments in the vicinity of our borders—to the elections in Algeria, in other words. We can not ignore those significant changes and developments. Successive democratic developments in Algeria must be saluted, because they are the proper way to go about putting matters on a natural course. It is immaterial to us who wins a majority of seats [in Algerian elections] because this is the Algerian people's business. What matters is that we maintain brotherly relations with the Algerian people, as represented by democratically elected institutions, so that we may build a borderless Greater Arab Maghreb that would advance the interests of the region and defend its faith, language, and destiny. This is what is of concern to us, and we therefore salute the democratic developments in Algeria and hope that the region will enter immediately into a new, constructive era.

**Arab Monetary Fund: \$63 Million Loan**

92AF0440A London AL-SHARQ AL-AWSAT in Arabic  
18 Feb 92 p 11

[Article: "\$63 Million From Arab Monetary Fund to Morocco"]

[Text] Abu Dhabi—In accordance with an agreement concluded yesterday between the Kingdom of Morocco and the Arab Monetary Fund [AMF], the fund has given Morocco a seven-year loan of 14.8 million Arab dinars (the equivalent of nearly \$63 million) at an annual interest rate of 5.75 percent.

The loan agreement was signed on the fund's behalf by Usamah Faqih, AMF general director and executive board chairman, and on behalf of the Kingdom of Morocco by Finance Minister Mohamed Berrada.

It is worth noting that this is the 16th loan acquired by the Kingdom of Morocco from the AMF, bringing the

total loans advanced to the kingdom to date, including this loan, to 112 million Arab dinars (the equivalent of nearly \$479 million).

The outstanding loans acquired by the Kingdom of Morocco from the fund amount to 31.95 million Arab dinars (the equivalent of nearly \$137 million), a sum which represents 216 percent of Morocco's share of the AMF's capital in convertible currencies.

On the occasion, Usamah Faqih delivered an address in which he expressed his satisfaction with the Moroccan Government's efforts and with the positive results achieved under the economic reform programs that Morocco has adopted since 1983, which have corrected the course of the Moroccan economy, thus gaining it the appreciation of the concerned institutions and of the international community. Faqih also expressed his confidence in Morocco's ability to carry on with the development march.

**Country Seen Representing Arab, Muslim Position**

92AF0369B London AL-SHARQ AL-AWSAT in Arabic  
1 Feb 92 p 4

[Article by Munsif al-Salimi]

[Text] A number of Arab officials have agreed that Morocco's participation in the UN Security Council summit in New York, in which it is the sole Arab state, will have a practical effect on the raising of Arab issues in the summit, being held for the first time since the establishment of the UN.

Before the start of his visit to New York, Moroccan monarch King Hassan II invited the Arab states' Foreign Ministers' Council to the meeting intended to discuss the Arab issues that may be raised during the summit, which began yesterday. The Arab ministers met in Marrakech in a closed two-hour meeting, which started with a speech from the Moroccan ruler. In it, he asked for their views on the Arab issues that might be brought up related to "strengthening the role of the Security Council in the new world order."

It was clear that the Marrakech meeting comes at a time when Arab efforts are concentrated on the peace negotiations, especially the "multilateral" meeting in Moscow. The gazes of political and media circles were centered on the Arab states' final positions regarding participation in the "Moscow negotiations." This made the Marrakech meeting timely for discussing this topic, except that the Moroccan Foreign Ministry decided that the Marrakech meeting would focus on the Security Council summit, and denied what was being reported on the subject.

Despite that, the atmosphere of the Marrakech meeting did reflect current Arab and political conditions. It was clear that the concerns were part of the larger issue: the subject of peace in the Middle East.

In this context, the remarks by Syrian Foreign Minister Faruq al-Shara', were harsh. When AL-SHARQ AL-AWSAT asked him about the matter, he said with absolute certainty, "We will not take part in the Moscow meetings." He went further in a communique explaining the Syrian and Lebanese position on this, but his comment on the atmosphere of the Marrakech meeting was limited to remarking that "I listened to some excellent opinions." Arab League Secretary General Dr. 'Ismat 'Abd-al-Majid, for his part, said that "We are confident that the Moroccan ruler is the best possible person to put across the Arab position."

It may be said that the Marrakech meeting was to avoid a total absence of joint Arab thinking on an issue that concerns the fate of the world, and the Arabs as a part of it. Therefore, it was necessary, in the Moroccan monarch's view, to create a minimum from which to bring up Arab issues within the framework of the "role of the Security Council in the new world order." Thus, the Marrakech meeting was exclusively "consultative," according to Algerian Foreign Minister Lakhdar Brahimi, in his statement to AL-SHARQ AL-AWSAT. But the Secretary General of the Arab League confirmed the "existence of an agreement on Arab points of view on the role Morocco will play as the Arab voice in the New York meeting." Together with that, several observations might be made:

First: The Arabs' confidence in the role of the Moroccan ruler, particularly with his distinctive personal ties and ability to grasp the state of Arab politics in its various permutations. Here it is worth calling attention to the view of Abdelhadi Boutaleb, advisor to the Moroccan ruler, who said, "Morocco can embody the Arab and Islamic position, as the sole Arab and Islamic country participating in the Security Council summit." Boutaleb adds, in his assessment of the Moroccan leader's role, that "although the meeting will be limited in terms of time, the Moroccan monarch will strive to bring up several important Arab and Islamic issues."

Second: "The Arab prescription," beginning with the question of Jerusalem as a fateful topic for all Arabs and Muslims, was clearly the Moroccan ruler's choice when he summoned the Islamic states that were members of the Jerusalem Committee to meet in Marrakech before the New York meeting. The closing communique of the Jerusalem Committee's fourteenth session contained a special paragraph asserting "the member countries' support for the efforts and contacts undertaken by King Hassan II" on this topic. Perhaps the agreement of the Islamic and Arab countries on the importance of the question of Jerusalem was behind this, considering it a subject that must be subject to the peace negotiations, asserting Palestinian sovereignty over the holy city, and confirming the application of international law to the Arab-Israeli conflict, especially UN Resolutions 242 and 338, and Resolution 425 regarding Israeli withdrawal from southern Lebanon. Peace in the Middle East, however, will not be found without clear Arab agreement, in view of the clash of their positions and ideas.

This was also expressed by Faruq Qaddumi, chief of the Palestine Liberation Organization's political office, who took part in the Marrakech meeting.

The state of non-agreement prolongs Arab issues; not only the Palestinian issue, but, among others, the issue of the Arab security system as a result of the deep wound left by the Iraqi occupation of Kuwait. The Iraqis spent the entire two hours of the Marrakech meeting in total silence.

As for the Libyans, despite the gravity of present conditions in their country, they stayed away from the meeting, much to the surprise of many of the Arabs, especially the host of the meeting, the Moroccan monarch. According to the same sources, he spared no effort to solve the crisis, but Tripoli, despite its absence from the Marrakech meeting, knew perfectly well the role that the Moroccan ruler can play. That is why Mustafa al-Kharrubi, member of the Libyan Revolutionary Command Council, arrived at Marrakech a few hours before the Moroccan ruler left, to provide the Libyans' point of view.

#### Trade Minister Discusses Regional Issues

92AF0384B London AL-HAYAH in Arabic  
31 Jan 92 p 9

[Article by Shafiq al-Asadi: "Emergence of Arab Regional Blocs Has Helped Deal With Economic Integration"]

[Text] Moroccan Minister of Commerce and Industry Hassan Abouyoub stated that his country will enter into negotiations with the World Bank to set priorities for the last stage of the economic rectification process in Morocco, following the concluding the agreement with the IMF on the nature of economic reform and measures in Morocco, which had begun in 1983.

In an interview with AL-HAYAH, Abouyoub confirmed that the Moroccan dirham will be convertible by the end of the economic reform process in his country at the end of 1993. The Moroccan minister, who was talking with AL-HAYAH outside the forum on Arab foreign trade policies and the environment, which is being held in Abu Dhabi, added that Morocco wants to hold negotiations during the next two weeks with the Paris Club, to deal with the foreign indebtedness problem, so that then Morocco could turn the page on its old economic history.

He explained that Morocco's indebtedness currently represents about 70 percent of Morocco's gross national product, and that servicing the debt requires one-third of Morocco's exports. This should be compared with 120 percent of the national product and 50 percent of exports, which was required in 1985.

Minister Abouyoub stated that the advent of the European Common Market at the end of the current year would not change the system that governs trade relations of [Arab] Maghreb Union [AMU] nations with the



European Community "with the exception of Libya." He stressed the need to correct the economies in the Maghreb states. This will necessitate reviewing the economic structure, ways of doing business with Europe, etc. In addition, the Maghreb economy should be integrated within the international economy, and its competitive ability increased. He pointed out that the establishment of the AMU would help to change the method of collective negotiation. Concerning his views on the establishment of an Arab economic bloc to confront the international economic blocs, he said that inter-Arab trade has not been stimulated in the past, despite the establishment of the Council of Arab Economic Unity, agreements to facilitate commercial exchange, and enactment of legislation and laws to regulate and encourage commercial exchange activity among the Arab states. This indicates that the desired integration will not happen in the near term.

Abouyoub stressed that the immediate solution required to confront the international economic blocs is for all the Arab states to join the GATT organization, "and form an Arab negotiating force within this international organization, in order to amend the world trade system in favor of the emerging nations and, in particular, the Arab states."

The Moroccan minister said that with the emergence of Arab regional economic entities, such as the nations of the Gulf Cooperation Council [GCC] and the Maghreb group, the problem that inter-Arab trade faces has changed. In the past, it was confined to a bunch of slogans, "while now, we have begun to deal with the subject of economic integration realistically, which places greater importance on entering into discussion of real issues and on getting rid of the result of 30 years of slogans and mere words."

Regarding his evaluation of the role of a program to finance Arab trade, Abouyoub said that lack of financing forms "one of the most prominent obstacles to inter-Arab trade." He stressed that establishing a program was "one of the most prominent, realistic acts that would stimulate inter-Arab trade and have excellent repercussions on national economies."

As for Gulf investment in Morocco, he said that the GCC nations occupy second place in investment operations in Morocco, after Europe. He explained that the two sides differed in type of investment, since European investments concentrated on the industrial sector, while Gulf investments were concentrated in the real estate and hotel fields.

Abouyoub pointed out that the United Arab Emirates' [UAE] investments in Morocco were diverse, although "not in the volume desired." They are in the hotel, trade, and banking sectors, with interests in mining industries and financing products.

The Moroccan commerce minister added that the Joint UAE-Moroccan Committee would be meeting shortly in Rabat, and that he had discussed with UAE Minister of

Economy and Commerce Sa'id Ghabbash the arrangements for this meeting, as well as matters pertaining to economic, trade, and investment cooperation between the two countries, especially encouraging private sector investors to establish joint investment projects in Morocco.

## INTERNAL AFFAIRS

### Minister on Possibility of Joining EC

92AF0384C London AL-MAJALLAH in Arabic  
29 Jan 92 p 69

[Article: "Morocco To Join European Community"]

[Text] Moroccan Minister of Finance Mohamed Berrada has announced that Morocco will be capable of joining the EC countries Community in 2000, following completion of economic legislation. This legislation will make local products more competitive, and achieve an annual growth rate of 7.8 percent beginning in 1992.

The minister added that after the agreement with the London Club last year with commercial banks, he hopes that the government's debts can be rescheduled within two months, at most. The minister acknowledged that the unemployment rate in Morocco was 10 percent, but he said that the government was attempting to deal with the injurious effects of economic adjustments through an effective social policy in the health, education, housing, and judicial sectors.

### Opposition Calls For Transitional Government

92AF0384A London AL-SHARQ AL-AWSAT in Arabic  
29 Jan 92 p 1

[Article: "Opposition Parties Call For Formation of Transitional Government in Morocco"]

[Text] Three Moroccan opposition political parties—the Istiqlal Party, Socialist Union of Popular Forces, and the Popular Democratic Labor Organization—have called for an emergency session of the Chamber of Deputies (parliament). A joint statement said that the three parties had requested that the last parliamentary session be kept open, so that all motions pertaining to election laws could be studied.

The statement pointed out that the opposition deputies had drafted four motions and laws pertaining to new collective election slates and organizing the election campaign.

In the same context, Ali Yata, the secretary general of the Party for Progress and Socialism (opposition), also called for an emergency parliamentary session to consider certain constitutional requirements, and to organize a popular referendum aimed at reviewing those requirements and making them more harmonious with the political and social reality that Morocco faces in light of the referendum battle in the Western Sahara.

**Reduction in Parties' Socioeconomic Projects Seen**  
*92AF0440E London AL-SHARQ AL-AWSAT in Arabic*  
 9 Feb 92 p 11

[Commentary by Hatim al-Batiwi]: "Stagnation Dominates Morocco's Political Arena; Parties' Crisis Embodied in Fact That None Has Socioeconomic Plan"]

[Text] Hatim al-Batiwi has written about the stagnation that has afflicted the Moroccan political parties' programs. He believes that these parties' crisis is embodied in the fact that none of them has a socioeconomic plan. Moreover, the demands they seek to achieve on the real political ground are, most often, temporary demands.

Recently, the talk has been about a new Morocco—the post-Western Sahara referendum and post-election Morocco. This referendum and election are scheduled for the middle of this year.

In this context, Morocco's monarch outlined in his recent statements a general framework for the features of the anticipated Morocco. He pointed out that a large segment of the youth has reached the legal age to vote and be elected, and he underlined his desire to see Moroccans approach the year 2000 with new constitutional institutions that inject Morocco with new blood and spirit.

Certain Moroccan political circles believe that the Moroccan king's statements harbor a reference to tacit acceptance of the opposition parties' demands calling for an extraordinary parliamentary session to discuss the bills submitted by their deputies. These bills are connected with re-drafting new election regulations, organizing election campaigns, preventing election violations, and organizing collective elections.

Parliamentary sources have told AL-SHARQ AL-AWSAT that the parliament is expected to hold a special session this month.

Here, observers wonder: Has the time come to get over the stagnation and drought afflicting Morocco's political life, in addition to the natural drought afflicting the country?

Describing Morocco's political life, an observer has said: "Even though the arena is crowded with issues, it is nearly void of issues capable of reviving Morocco. Stagnation and sluggishness dominate the arena." Another observer has said that Moroccan society always seems to be in a state of turmoil. Despite the changes in Morocco's institutions since the protectorate era, and throughout the independence period till now, stagnation continues to be the main characteristic.

An opposition paper once wrote: "It seems as if political activity is frozen in our country. We hear about the parliament only once a week, when it holds the session set aside for verbal questions. We rarely hear anything about the government other than that it has held its

weekly session and heard the proposals of some ministers." The paper expressed the belief that this inactivity could not be a consequence of a paucity of issues that need to be tackled, examined, and solved.

This climate notwithstanding, there is a fact that must be pointed out: Morocco's parties have been somewhat able to contribute to creating a dynamic atmosphere in the Moroccan political arena, in spite of the crisis that they are experiencing and which is tossing them about. It should also be noted that the Moroccan parties' crisis lies in the fact that the opposition parties do not have a complete socioeconomic program. Moreover, the demands these parties wish to accomplish on the ground are circumstantial demands. Meanwhile, the majority parties' crisis lies in the fact that these parties are tied subserviently to the government plan and to whatever consequences emanate from it.

Whereas the opposition parties have imposed themselves on the Moroccan political arena more forcefully in the past three months, and whereas their demands—which had been previously characterized by timidity—have become clearer, we find that the majority parties constituting the current government coalition are totally absent from the arena. Meanwhile, the opposition parties say that if the next elections are honest, then they will provide the occasion for the current government majority parties to vanish.

The most distinguishing feature of Morocco's political arena prior to the forthcoming election—when compared with the condition of this arena prior to the 1976-1977 election and the 1983-1984 election—is that no new party has come into existence, as happened in 1977 when Ahmed Osman formed the National Liberal Grouping party, and in 1983, when Maati Bouabid formed the Constitutional Union. We should keep in mind that the Grouping was formed after the elections were held and after a majority of independent candidates won and got together to form a new party. In contrast, the Constitutional Union came into existence before the elections.

Reports have been recently circulated behind the scenes about preparations to form a new party led by a prominent Casablanca notable connected with the opposition figures. Other rumors have said that two current cabinet ministers from the Sous region in southern Morocco plan to form a new party that reflects the particulars of the region. However, observers believe that current circumstances will not permit the creation of such parties. A prominent Moroccan intellectual believes that the time of parties that are born with a gold spoon in their mouth has ended.

The majority parties have begun to hold meetings here and there, and these activities continue to be characterized as preparations for the election season and not as part of the progress of party action. The question that continues to dictate itself is: What have these parties



added to Morocco's political life, and how successful is the political approach that they projected when they were formed?

The Constitutional Union, which gained a numerical majority in the past elections, was criticized when it was formed by the conventional parties, such as the Istiqlal Party and the Socialist Union of Popular Forces [USFP]. The USFP was born with immense dimensions and a creature born with such dimensions is, according to these parties, unnatural. What is interesting about this party is that, while parties are created to attain power, the Constitutional Union was formed while Maati Bouabid was prime minister.

When launched, the party raised the slogan of the "Constitutional Party, the post-independence generation party" and the slogan of "restoring reassurance and confidence to this generation."

Now that seven years have passed since the party was founded, the Constitutional Union continues to make the same wager. Perhaps this is evident in the bitterness which Maati Bouabid expressed during the meeting the party leadership held in the town of Ben Slimane (a suburb of Casablanca) more than two months ago, when he noted that his party is represented by only five ministers in a cabinet of 37 ministers. Consequently, the party cannot be responsible for government policy.

In a related development, it seems that the National Liberal Grouping Party has been on an indefinite vacation since the latest election. The party's central committee has not met in more than seven years. Moreover, a number of the party's main leaders have disappeared from the arena as a result of being appointed ambassadors abroad, such as Abdessalam Znined in Moscow, Mohamed Belkhatay in Washington, Abderrahmane Cohen in Hungary, and Abdelouahid Benmasoud in Kuwait. This is in addition to the inability of Ould Sidi Baba, the former speaker of parliament, to engage in any activity because of illness. It has also been noticed that Mohamed Benaissa, the culture minister in the current cabinet, has engaged in lukewarm activity in the party, even though he continues to have a very good relationship with Ahmed Osman. Some attribute Benaissa's lukewarm relationship with the party to his participation in a television program, in which he said that he leaves his party hat at the cabinet door, considering that he is a minister for all. Some of the party leaders did not like this statement.

It is worth noting that the National Liberal Grouping was "tested" during the period when the Democratic Labor Confederation and the General Federation of Workers, controlled by the Istiqlal Party and the USFP, called for a general strike to be staged on 14 December 1990. At that time when the government, which included four ministers belonging to the Grouping, declared that the general strike was unconstitutional, the party press supported the general strike resolution and considered it

constitutional. At the time, this issue provoked a crisis within the government and the party.

It can be said that the same characteristics apply to the other parties of the government coalition, excluding the movement of Mahjoubi Aherdane. Though Aherdane tries to sing his own tune, his movement is no more than an attempt through which he tries to rehabilitate himself after having been deprived of the general secretariat of the Popular Movement Party, which Aherdane and others founded in 1959.

Generally, whoever ponders Morocco's modern political history is arrested by a fact that is repeated in every decade, namely that Moroccan King Hassan II has always been the source of the historic political initiatives that stir dynamism and vitality in Moroccan society, as happened in 1975 when the king launched the slogan of the "new Morocco."

It isn't surprising that the word 'new' is reiterated by the Moroccan monarch in the exclusive press interview he has given REUTERS.

#### **Political, Economic Prospects for 1992 Discussed**

92AF0368A Casablanca LA VIE ECONOMIQUE  
in French 6 Dec 91 p 16

[Article by Nadir Yata: "Morocco: 1992, Year of Recovery"—first three paragraphs are LA VIE ECONOMIQUE introduction]

[Text] Every week the newspapers that are members of the Eurexpansion network publish "The Eurexpansion Letter," which is from a different country each week and covers the problems particular to that country.

LA VIE ECONOMIQUE was commissioned to publish such a letter in early November, and we asked Nadir Yata—who honors LA VIE ECONOMIQUE with his collaboration—to write an article on Morocco's economic prospects for 1992.

We print herewith Nadir Yata's article, in which he places special emphasis on the Sahara question, the nation's economic recovery, payment of the debt, establishment of a policy of economic liberalism, the coming legislative elections, and the various domestic reforms. For foreign readers this article is particularly valuable, because it views matters without complacency and presents problems realistically. In any event, in reading this article some 2 million people in Europe obtained an accurate picture of Morocco as it really is rather than as some like to caricature it. We had previously pointed out that the partnership agreement concluded with the Eurexpansion group would put Morocco in communication with the most powerful economic press group in Europe. Following on the heels of the interview with His Majesty the King that was published in seven European daily newspapers, here is the Eurexpansion letter from Casablanca that was published in 14 European countries:

Will 1992 be the year of change—the beginning of a new stage for Morocco along the road to multiform development? Many aspects of the answer to this question give reason to think so.

From 1975 to the present, the problem of the Western Sahara has been central to our national concerns, with an effect that is both positive (consolidation of the sociopolitical fabric around the principle of the Moroccanism of the “recovered Southern provinces”) and negative (the budgetary and financial balances, together with the effort to finance and equip the Saharan regions). This question is now in the process of being resolved: in principle, the self-determination referendum is scheduled for some time between mid-January and early February 1992 under UN supervision. Even though the process is somewhat behind schedule and serious obstacles to implementation of the UN control plan have not yet been removed (in particular, the identity of the Sahraoui election officials), Morocco's prospects for winning the referendum continue to be substantial.

It should be stated in this connection that Morocco is attempting to achieve a painful and delicate marriage between structural reorganization and economic growth. Both are essential, and reconciling them requires arbitration that is especially difficult and that when delayed gives rise to street demonstrations.... But no lasting success has yet been achieved in this area.

Basically, it should be noted that Morocco is progressing and developing despite the serious handicap of its foreign debt. With regard to the foreign debt—which admittedly is around \$25 billion—Morocco has chosen to play the role of the scrupulously honest debtor. It has never missed a payment, and meticulously honors the commitments it has undertaken in that regard, however burdensome they may be (as much as 35 percent of export revenue goes to service the debt).

In return, Morocco has retained the confidence of international financial circles, and this is now paying dividends in the form of last year's agreement with the Clubs of London and Paris for the rescheduling of its public and commercial debt (including the application—to Morocco's benefit—of the provisions of the Brady Plan), and in the form of the upcoming conclusion of a standby credit agreement with the IMF. Moreover, Morocco—which since 1993 [as published] has implemented a policy of structural reorganization—is determined to play the card of privatization of the public sector without reservation, and concurrently has enacted a series of more liberal investment codes relating to the principal sectors of activity (tourism, marine fishery, industry, and so forth). By authorizing the repatriation of profits (even from after-sales services) and providing tax exemptions, these codes are playing their role in attracting investment. This is borne out by the increase year after year in the volume of private investment, including foreign investment (about a quarter of the total). In this regard, the partnership with France (Morocco's principal customer and principal supplier) continues to be decisive,

although the respective shares of the Moroccan market that are held by countries such as Spain (Morocco's number-two partner), the FRG, Italy, and the United States of America are increasing. There is indeed room for everyone, including Canada and Arab countries.

Without renouncing the vertical ties formed with the Europe of the Twelve, Morocco is striving—together with its partners in the region—to construct a collective reality. The road is difficult, to be sure, especially in view of the political and economic uncertainties that afflict countries such as Algeria. It is precisely in this uncertain context, however, that Morocco projects the image of a solid bridgehead.

Morocco—which is self-sufficient in vegetables, fruits, meat, and milk—is therefore the only Maghreb country not to be heavily dependent on food imports. The prospects for the fishing industry—in one of the most abundant fishing grounds of the world—serve to reinforce this fact.

Morocco is being pressed to commit itself even more fully to modernization and progress, but is troubled by the prospect. In order to attain this goal, the nation must achieve not only a decrease in its birth rate (currently around 2.7 percent) but also a better social equilibrium, in order not only to satisfy the legitimate pressures from the underprivileged classes but to strengthen the process of development. This progress can be shared, on penalty that its monopolization by the more privileged classes could lead to new challenges with irreparable consequences. It is in this context that Morocco is preparing to experience a probable democratic revival, based on a program of reforms that include social reforms. While tremendous efforts are being made to combat unemployment among rural as well as urban Moroccan youth (through the action of the National Council for Youth and the Future), measures providing for greater social justice should be adopted or revived (upward revaluation of pensions, generalization of contractual policy, improvement of national insurance benefits, educational reform, and so forth).

At the same time, the pluralism that has gained a firm footing in Morocco's politics, trade unionism, and media since independence will be operating in an even freer context. The King has promised fair and honest elections for 1992 (after the UN referendum in the Sahara). The prisons are being emptied, as demonstrated by the release of prisoners of conscience including Abraham Serfaty, while the Tazmamart prison has been shut down. Informed quarters are expecting other decisions of the same kind to be taken, thereby extending this “de facto amnesty” to those who remain in prison, including the Islamic fundamentalists. In fact, the representatives of this movement in Morocco (who have neither the strength nor the influence of their counterparts in Algeria and Tunisia) envisage the possibility of entering politics as a legal party: the regime, some say, would not be hostile to them provided the rules of the pluralist competition are respected.

### Finance Minister Outlines Situation, Tasks

LD2302223192 Rabat Moroccan Kingdom Radio  
Network in Arabic 1300 GMT 21 Feb 92

[Text] Minister of Finance Mohamed Berrada presided at the Bank of Morocco Headquarters in Rabat this morning over the meeting of the 60th session of the Committee of Credit and Finance Market. The meeting was attended by the Governor of the Bank of Morocco, Mohamed Seqat, heads of banking and financial institutions, and other personalities from the world of economy and finance.

Addressing the committee, Minister Berrada outlined economic and financial developments during the past year. He then reviewed the most important financial and economic targets for 1992 and the new measures needed for the continued improvement of the financial sector.

After a brief review of the development of the external climate which deteriorated again during 1991, Minister Berrada said that on the national level, records were registered in the agricultural sectors which had a positive effect on the other economic sectors, thus making it possible to achieve an average growth rate of over 5 percent in real terms. He pointed out that this was also due to the preservation of the investment rate at 24 percent.

With regard to financial balances, the minister said that the implementation of the budget for 1991 has resulted in an overall deficit of 3.1 percent in gross domestic product [GDP], thereby registering an improvement over that of 1990.

It has been possible to reduce the deficit in the current account of the balance of payment from 2.8 percent of the GDP in 1990 to 2.5 percent of the GDP in 1991. This has been achieved despite the slow rate of growth of exports and the drop in income from tourism following the outbreak of the Gulf crisis. However, the external resources which have been utilized made it possible to bolster the expenditure reserves.

With regard to the currency field, the minister of finance pointed out that the rapid increase in the money supply due in particular to the strong increase in loans to the economy has enhanced liquidity and influenced the level of prices.

With regard to the expectations for the current year, the minister stated that 1992 will constitute a transitional year between an era of establishment of basic balances and rescheduling and an era of expected constant and balanced growth.

He pointed out that the targets set for 1992 can be briefly stated as follow: achieving of a growth rate of 4 percent in real terms; checking the rate of inflation; and reducing the treasury and current account deficits of the balance of payment to 0.8 percent and 2.1 percent of the GDP respectively.

These targets are considered among the basic requisites for the completion of the rectification process and the ending of the period of rescheduling of foreign debt, and consequently passing through 1992 to an era in which the Dirham becomes a negotiable currency.

In this regard, he said that if these targets have to be reviewed due to delayed rainfall, the government, acting on the royal orders of his Majesty the King, has taken the necessary measures to alleviate the effect of these conditions on income and the level of employment in the rural areas.

He also pointed out that the expected revival in the field of investment will have a positive effect on economic development.

He said that the realization of these targets demands the adoption of a policy aimed at bolstering investment, improving the climate for investment, and continuing the support for the expenditure reserves and the wise monitoring of the economy's liquidity.

He added that the policy of currency and credit is required now more than at any time past to closely monitor the increase in credits so as to avoid any excessiveness, and that fulfillment of the currency target can be insured by means of indirect control, which will be further bolstered by the introduction of the open market policy.

With regard to the continued reform of the financial sector, Minister of Finance Berrada announced a number of measures to reduce the obligatory servicings [istikhdamat ijbariyah], improve the financing of exports, organize the monetary market, and strengthen the protective systems against bank risks.

According to the minister, these measures aim at increasing the incomes of banks, improving the atmosphere of competition within the banking system, and guaranteeing a considerable flow of financing for the benefit of the export-oriented functions.

In conclusion, he urged the banks to diversify the sources of financing and financial services they offer to each other. He called on them to benefit from the resources available in the international financial market now that Morocco's reputation abroad has been improving. He also asked the banks to grant all necessary aid to the peasants suffering from unfavorable climate conditions.

At the end of the meeting, the minister sent, in the name of the committee members, a cable of allegiance and loyalty to King Hassan II, may God grant him success.

**Opposition Proposes Assistance to Drought Needy**  
92AF0440C Casablanca AL-ITTIHAD AL-ISHTIRAKI  
in Arabic 10 Feb 92 p 5

[Article: "To Counter Drought Ramifications, Opposition Factions, Parties Propose Bill To Assist Needy, Boost Rural Employment"]

[Text] In view of the drought that our country is experiencing and of the negative ramifications that it could produce, whether for small, medium-sized, or large-scale farmers, and for rural society in general, the opposition factions and parties in the Chamber of Deputies have proposed a bill to assist the drought victims and to boost rural employment.

The opposition's initiative has offered a number of proposals to combat the drought disaster: compensate the victims; suspend the repayment of loans, interest on loans, and interest for deferred payment; exempt agricultural equipment from fees and taxes; reduce some fees; create special aid funds; appropriate allocations for some funds listed within the treasury's special accounts and additional appropriations for other funds; and allocate appropriations to boost employment in the countryside.

The opposition has asked that the proposal be referred immediately to the relevant parliamentary committee to examine it and put it at the top of the agenda for the special session that the opposition has demanded and continues to demand.

The following is the introductory memorandum and the text of the proposals:

### Introduction

After examining the rural conditions emerging from the drought that has afflicted our country this year and the major perils which could result from this drought if the urgently-needed steps are not taken, the opposition factions and parties in the Chamber of Deputies, namely the Istiqlal Party, the Socialist Union of Popular Forces, the Party of Progress and Socialism, and the Popular Democratic Action Organization, have decided to propose a national solidarity bill due to the following considerations:

- Because of the complex and chronic problems that continue to be experienced by agriculture and that are subject to climatic fluctuations;
- Because some areas, especially drylands, have not received enough attention under the adopted agricultural policy; Therefore, they are affected more profoundly by natural catastrophes, and especially from the lack of rain.
- Because of the burdens shouldered by farmers, especially small and medium-sized farmers, as a consequence of the agricultural loan burden; the high cost of materials, fertilizer, and seed; and the additional burden caused by agricultural machinery;
- Because of the harm that continues to be inflicted on livestock as a consequence of the drought;
- Because of the drought that our country has experienced this year and the damage it could do to farming and farmers. This drought poses the threat of a real catastrophe, whose ramifications will extend to other economic sectors.

### Bill To Confront Drought Consequences

Chapter 1: Within the context of national solidarity, the Moroccan Government shall be responsible for compensating farmers for the damages suffered as a consequence of the drought disaster.

Toward this end, the administration shall grant farmers the necessary cash and in-kind assistance, and shall take the steps and measures to confront consequences of the drought.

It shall also determine, by decree, the forms of assistance and the criteria for granting this assistance.

Chapter 2: The administration shall determine the areas damaged by drought and frost on the basis of the degree of damage, and shall intervene accordingly.

Chapter 3: The repayment of loan installments, of interest, and of the deferred payment interest stipulated by Honorable Decree No. 1.60.106 concerning the regulation of agricultural loans shall be postponed for a period of three years for affected farmers.

Chapter 4: Agricultural equipment, rigs to drill for underground water, and water collection apparatuses shall be exempted from all customs fees and from the value-added tax according to a list determined by the administration.

Chapter 5: A special fund, numbered 36.11, shall be established within the treasury's special accounts and shall be allocated to assist small and medium-sized farmers in acquiring agricultural equipment.

Chapter 6: A special fund, numbered 36.12, shall be created within the treasury's special accounts to subsidize seeds and supply them to farmers at preferential prices.

Chapter 7: Allocations shall be made within account No. 36.02 of the treasury's special accounts, or the so-called fertilizer fund, to subsidize fertilizer and supply it to farmers at preferential prices.

Chapter 8: Additional allocations shall be appropriated for fund No 35.47 within the treasury's special accounts to save and preserve livestock, to help livestock breeders protect and preserve their herds, and to subsidize and provide fodder.

Chapter 9: The fees charged for slaughter in slaughterhouses and the fees levied on sales in wholesale vegetable and grain markets in accordance with law No 30.89, which sets the fees payable to local governments and their authorities, shall be reduced by decree.

Chapter 10: Appropriations shall be made in account No 35.52 of the treasury's special accounts, called the Agricultural Development Fund, to open work projects in the countryside (roads, dirt roads, wells, conventional and modern firefighting stations, small dams, irrigation canals, and so forth)."



### Energy Minister Comments on Oil Exploration

92AF0347C Rabat AL-'ALAM in Arabic 16 Jan 92 p 4

[Article: "Energy Minister Decries Lack of Government Interest in Oil Exploration"]

[Text] Driss Alaoui M'Daghri, Minister of Energy and Minerals, believes that there has been no wide-scale exploration for oil, despite a considerable wealth of bituminous rock, which will be exploited sooner or later, when technology and oil prices permit.

In an interview with the weekly [LE] MAGHREB, the minister pointed out that Morocco's geological properties seem no less promising than others where oil has been discovered. He added that there has been no adequate prospecting, with the exception of unsuccessful drilling in the eighties by the National Bureau for Petroleum Research.

Mr. M'Daghri said that geological studies undertaken so far indicate the presence of considerable reserves in certain regions. He pointed out that exploration for oil is fraught with difficulties and is extremely costly. He explained that global corporations charged with exploration will be further attracted by the new Fuels Law, which was ratified by parliament in 1991. The Fuels Law offers the advantages of flexibility and considerable concessions to investors.

Mr. M'Daghri emphasized that Morocco's strategy is part of a dynamic policy that aims at reducing dependence on foreign oil, exploiting national energy, and utilizing various energy resources. He added that sources of new and renewable energy have a place in that policy.

It is worth mentioning that geological research in the late sixties had indicated oil reservoirs extending from the Gulf of Agadir to Tarfaya. Research in the early seventies also indicated the presence of oil reserves in the same region, as well as offshore reserves at Agadir and Casablanca. Prospecting for oil took place near Essaouira, where gas and bituminous rock was discovered. There has been constant talk of oil discovery. Exploration agreements were signed with global corporations in countries with broad experience in this field, especially Canada, but we are yet to find a major economic discovery similar to those at Sidi Kassem and Sidi Rhanem.

It seems that public authorities do not view the discovery of oil from a long-range perspective that takes into account world production after the year 2000 and the price outlook per barrel. Rather, the authorities use a narrow monetary perspective that focuses on the current low oil prices.

### Consumption of Petroleum Products Rose in 1991

92AF0347E Rabat AL-'ALAM in Arabic 13 Jan 92 p 3

[Article: "National Consumption of Petroleum Products Rises in 1991"]

[Text] Moroccan Minister of Energy and Minerals Driss Alaoui M'Daghri chaired a meeting of the board of directors of the National Company for Petroleum Products at the company's headquarters.

A statement released by the Ministry of Energy and Minerals said that the board discussed oil-marketing developments in Morocco in 1991. Sales of petroleum products during the first nine months of 1991 rose to 4.988 million tons, a 1.6 percent increase in national consumption.

The statement said consumption rose by 4.7 percent in September of 1990 before it shrank as a result of the Gulf war.

The statement added that three-quarters of petroleum products were marketed by the National Company for Petroleum Products in response to national needs.

The board touched on the broad outline for company growth by examining investment and operations budgets, as well as future horizons within the framework of the company's 1992-1996 five-year plan.

Company investments in 1992 were allocated at 259 million Moroccan dirhams, or an increase of 12.6 percent over the preceding year.

The company will focus attention on modernizing gasoline service stations, on meeting the national demand for natural gas, and on preparing studies on petroleum logistics, the utilization of natural gas, and the development of human resources.

The statement by the Ministry of Energy and Minerals explained that, in order to implement those ambitious programs, it was decided to focus on the development of human resources through incentives, nurturing, and increasing services available to the company's workers.

The statement pointed out that the company created 180 new jobs in 1991 and that it plans to introduce 105 more openings in 1992.

The company's board of directors also expressed satisfaction at the progress of the gas pipeline project to link the Maghreb with Europe. The board expressed total support for whatever else it might take to complete this major project on schedule by the end of 1995.

### Finance Minister: Economy Getting Stronger

LD0702235492 Rabat MAP in English 1218 GMT  
7 Feb 92

[Text] Paris, Feb. 7 (MAP)—The progressive and steady adjustment policy Morocco embarked on comes to an end this year as the economic balance has been adjusted. The budget deficits and current payments were made up and external reserves replenished, said Moroccan Finance Minister Mohamed Berrada.

In an interview with French business daily "LA TRIBUNE DE L'EXPANSION" published Thursday, Berrada drew a positive balance sheet of the six year macro-economic adjustment in Morocco saying that balances were restored and that the social sector will henceforth top the government's concern.

"The strict policy steadily followed since 1985 and the healing of public finances through the limitation of expenses and increase of revenues are behind the success", Berrada said adding that investment progressed in average by 20 pc [percent] a year since 1986 and that the inflation rate that was of 8 pc in 1991 will be curbed to less than 4 pc this year.

Conceding that the social sector somehow suffered from the economic adjustment policy as expenses in the sector were cut down, Berrada said Morocco has nonetheless recorded better results in this field than most other countries. He recalled that the Economic Development and Cooperation Organization has recently circulated a study pointing out that only Chile and Morocco have successfully carried out a rigorous adjustment while improving, on the whole, the living standards of the under-privileged social strata.

The largest part of the revenues to be earned during the coming five years will go to the social programs mainly education, health, justice and social housing, Berrada said.

In another development, Director of the Swiss Chamber of Commerce in Morocco J.R. Campiche said 1992 will be for Morocco the year of all hopes as it will mark the end of the adjustment policy and the passing from a partially assisted economy to a totally liberal economy, whose growth will be financed by its own resources.

In the editorial of the chamber's news bulletin, Campiche said the convertibility of the country's currency is expected by the end of the year or early next year, the budget will be balanced in 1993 and the balance of payment will record a surplus as of 1994.

The Swiss official also listed the positive measures adopted by Morocco such as the modernizing of investment codes and of the banking system, the liberalization of foreign trade, the reform of the tax system and the privatization program.

He stated that growth rate increased by 4.6 pc in average, the per capita GDP [gross domestic product] has almost doubled in nominal terms despite a strong population growth (2.3 pc), exports were up 25 pc per year during the past three years with manufactured products making up about 70 pc of these exports.

### Scandal Threatens Fishing Industry in Tan-Tan

92AF0384D London AL-SHARQ AL-AWSAT in Arabic  
4 Feb 92 p 9

[Article by Muna al-Bustani: "Scandal Threatens Fate of Moroccan Omnium Fishing Company, Future of Fishing Sector in Moroccan Tan-Tan"]

[Text] Business circles in Morocco have been preoccupied with a financial scandal that the Court of First Instance in Casablanca is currently hearing. It is expected that its ramifications will reach beyond the individuals involved in it and affect the short-term economic future of the city of Tan-Tan in southern Morocco.

Facing trial is Libyan businessman Hasan Zuruq and Moroccan businessman Mohamed Laraki. The two men are joint owners of the Moroccan Omnium Fishing Company located in Tan-Tan. Zuruq lodged a complaint in July 1991, accusing Laraki of forgery, breach of trust, and embezzlement. Evidently the two partners went to court after three years of dispute, with increasing company indebtedness and a critical financial situation, since the company's debts to the Central Insurance Fund have reached 400 million Moroccan dirhams, in addition to debts to other banks.

The Moroccan Omnium Fishing Company was established in 1978 and was a big event in the life of Tan-Tan, whose share in the Moroccan economy had been marginal. The Moroccan Laraki Group initially established the company with limited capital, but Libyan businessman Hasan Zuruq contributed the equivalent of half the capital for his share, which provided the project with important capital. The company continued to grow until its total capital reached 100 million dirhams by the mid-eighties.

Official circles in Morocco became interested in this project, in view of its role in developing the economic life of Tan-Tan, inasmuch as it had become the owner of a harbor outfitted with modern equipment. Maritime and fishing activities developed there, especially through the activity of 27 fishing boats belonging to the Moroccan Omnium Fishing Company. The state encouraged the project through its guarantee of loans that financed equipping the harbor, mostly used by the Omnium Company.

The company's economic importance is made clear by the preoccupation of the residents of Tan-Tan, Western bankers, the Central Insurance Fund, official and business circles, with what could be the fallout from the collapse of the partnership between these two men, and the effects of the ongoing trial on the project's future. This is particularly true since any compromise between the partners is unlikely now, following efforts made by numerous parties over the past three years to deal with the dispute.



The most important of those efforts was the proposal by official circles to the Ominium North Africa [ONA] Group to purchase an important share of the Tan-Tan fishing company's capital, in order to help it get out of this crisis. However, ONA, which is also in the fishing sector with more than 20 fishing boats, considered that the Tan-Tan company's indebtedness and the complexities of its problems had reached a point that would make it difficult to save that company while profiting from the investment.

Libyan businessman Hasan Zuruq holds his former partner, Mohamed Laraki, responsible for the financial fate of the Moroccan Omnium Fishing Company, on the basis that Laraki was in charge of managing and operating the company in his capacity as president and director general.

The court is expected to continue to study the case's dossier in a session to be held on 19 February 1992, in the midst of conflicting opinions about the identity of the Libyan businessman Zuruq, since it was rumored that he had different names and nationalities when he was in France and Tunisia. It was also rumored that he formally sold a part of his shares in a company in France, whose ownership later was disputed. On the other hand, reports are circulating in business circles about Laraki's establishment of a company in Spain, whose function is to smuggle funds from the company threatened with bankruptcy.

The expectation is that the court sessions will see legal confrontations raised about this difficult case, in view of the fact that both of the accuseds defense attorneys have considerable experience in cases involving business and companies.

In anticipation of that, business circles question the fate of the Moroccan Omnium Fishing Company and the economic horizons of the city of Tan-Tan. Will it be ultimately possible for one of the partners to surrender his shares in the company? The possibility of a third party from the private or public sector intervening to save the project is not unlikely.

Despite the fact that the Central Insurance Fund still continues to carry the debts accumulated by the company, questions prevail about the possibility of payment, in light of the complications surrounding the dispute between the two partners. It should be noted that the majority of those debts are from foreign banks.

### **IFC Lends \$110 Million to Banks**

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8 Feb 92*

[Text] Casablanca, Feb. 8 (MAP)—The International Finance Corporation (IFC) has agreed to provide four Moroccan banks a credit line worth 110 million U.S. dollars meant to boost Morocco's private sector industry and action.

Director of the IFC Middle East and North Africa's Investment Department Andre Hovagulmian signed Friday here an accord in this respect with top executives of the four Moroccan banks.

The signing ceremony was marked by addresses stressing the importance of the accord in promoting the kingdom's economy and the private sector. Morocco's economic potentials and its efforts to curb down the inflation, budget deficit and its adjustment and restructuring policies were also brought up by the speakers.

This is the first time that Moroccan banks get long-term loans from an international financial institution without the state's bail.

Forty million of the overall credit will be disbursed by the IFC, whereas the remaining amount will be extended by nine European banks.

The four Moroccan banks which benefited from the IFC loan are "La Banque Commerciale du Maroc", "La Banque Marocain du Commerce Exterieur", "Le Credit du Maroc" and "Wafabank".

To date, IFC has provided Morocco loans and investments totalling more than 465 million dollars for projects in a range of sectors including agribusiness, construction materials, mining, tourism, shipping, textiles and fishing.

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